BRITISH COLUMBIA
The Best Place on Earth

Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 08-30 July 26th, 2008

- **Annual inflation rate rises to 3.0% in June**
- **Retail sales unchanged in May**
- **Labour market participation by people with limitations increasing**

## Prices

- **British Columbia's year-over-year inflation rate increased to 3.0% in June as skyrocketing energy prices (+16.9%) pushed up the Consumer Price Index (CPI).** Nearly half (1.3 percentage points) of the increase in the CPI was due to higher energy prices. Excluding energy, the province's inflation rate would have been just 1.7%.

  Shelter (+3.4%) and transportation (+5.8%) costs were most affected by rising fuel prices. Motorists spent a whopping 25.9% more to fill up their tanks, while homeowners faced even bigger increases (+38.7%) in the cost of oil & other fuel. Travellers also took a hit, with air, ferry, bus and other intercity transportation fares rising 13.3%.

  Renters paid an average of 2.0% more for housing. The cost of owned accommodation increased 3.7%, reflecting higher prices for fuel, maintenance, property taxes, electricity and water.

  Consumers forked over 3.1% more for food, with grocery bills rising 3.3%, and restaurant meals costing 2.6% more than in June 2007. The rising cost of grains was reflected in a 10.2% increase in the index for bakery & other cereal products.

  In Victoria, consumer prices rose 2.8%, while Vancouver's inflation rate was 3.1%.

  *Data Source: Statistics Canada*

- **The Canadian inflation rate (3.1%) was only marginally higher than BC's.** Nationally, energy prices rose 18.0%, while the cost of other goods and services was up 1.7%. Among the provinces, inflation rates ranged from 2.1% in New Brunswick to more than four percent in Nova Scotia (4.2%), Alberta (4.4.%) and PEI (4.7%).

  *Data Source: Statistics Canada*

## The Economy

- **Sales by retailers in the province were unchanged in May *(seasonally adjusted)*.** Retailers of clothing & accessories (+5.0%) and building & outdoor home supplies (+1.9%) made solid gains, as did general merchandisers (+1.3%) but others did not fare as well. Despite soaring prices, gas stations posted only a modest (+0.6%) increase in sales, suggesting that consumers may have been driving less in May.

  BC and Newfoundland (-1.2%) were the only provinces where sales did not increase in May. Canadian sales advanced 0.4%, boosted by solid gains in Saskatchewan (+1.8%), Manitoba (+1.1%) and New Brunswick (+0.8%).

  *Data Source: Statistics Canada & BC Stats*

- **The number of regular employment insurance (EI) beneficiaries in the province fell (-3.7%, *seasonally adjusted*) in May.** Nationally, the number was down 1.2%. However, there were more beneficiaries in Ontario (+1.2%), where the manufacturing sector is struggling. Oshawa (+54.5%), St Catharines-Niagara (+25.8%) and London (+19.8%) were particularly hard-hit.

  *Data Source: Statistics Canada*

## EI Coverage

- **About 452,000 Canadians received regular EI benefits in 2007, down 5% from 2006.** Of this total, 304,000 were unemployed. Others included those employed less than 30 hours, not in the labour force, or working full time with an interruption in the three months prior to the reference period, and mothers of infants that were working. About two-thirds of EI claimants received regular benefits and over a quarter received maternity or parental benefits. More than three-

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quarters of the 377,000 mothers of infants less than a year old had insurable income, and 86% of them received benefits. *Data Source: Statistics Canada*

### Youth Custody

- **The number of youth admitted to sentenced custody in BC was halved between 2001/02 and 2005/06, dropping from 1,004 to 502.** The number of young people on probation fell from 3,171 to 1,520 over the same period.

The province's youth incarceration rate was 4.1 per 10,000 youth in 2005/06, down from 7.9 in 2001/02, and about a third of the level in 1996/97 (13.0). The decline in admissions, which has occurred across the country, reflects measures to divert youth who have committed minor offences away from the formal criminal justice system as well as the fact that fewer youth have been charged and are appearing in youth court. Most young offenders spend less than six months in custody; nearly half of those released from secure custody had served a term of one month or less. One in three young persons admitted to remand were admitted for violent offences. *Data Source: SC, Catalogue 85-002-X, Vol 28, No 8*

### People With Disabilities

- **In British Columbia, people with disabilities (hearing, seeing, communication, mobility, agility, pain, learning, memory, development and psychological) made up about 10% of the labour force in 2006, up from just under 9% in 2001.** The national share was 8%.

Although the province's total participation rate is slightly below the national average, British Columbians with activity limitations were somewhat more likely to participate in the labour force than other Canadians with disabilities. In BC, the age-standardized participation rate for people with disabilities increased from 61.5% in 2001 to 64.6% in 2006, and the unemployment rate fell from 14.5% to 8.9%. (The participation rate for those without limitations was virtually unchanged). Nationally, the participation rate rose from 56.9% to 59.6% and the unemployment rate dropped from 13.2% to 10.4% over the same period.

In 2006, nearly two-thirds of Canadians aged 15 to 64 with a limitation who were not working reported that they were unable to work because of their disability. Some with severe limitations were employed, while others with less severe issues reported that they could not work. The most commonly cited barriers included loss of income, no jobs available, and lack of adequate training. *Data Source: SC, Catalogue 89-628-X*

### Remittances by Recent Immigrants

- **Four out of ten immigrants who arrived in Canada during 2000/01 sent money to family or friends abroad at least once during their first four years in Canada.** The average remittance was $2,500 in the first period (within 6 to 24 months of landing) and $2,900 in the second period (two to four years after landing). Immigrants from the Philippines and Haiti were the most likely to send money home. World Bank figures suggest that remittances from emigrants accounted for 20-30% of GDP in countries such as Haiti, Lesotho and Jordan, and about 10-19% in others including Jamaica, the Philippines and the Dominican Republic. *Data Source: Statistics Canada*

### Productivity

- **Labour productivity in Canada lagged behind that in the United States during the late 1990s and early 2000s, and the size of the gap was growing.** In 1994, labour productivity in Canada was about 89% of the US level; by 2003, the proportion had dropped to 87%. The difference was largely due to lower levels of multifactor productivity (the use of more efficient production techniques, technology, innovation, and organization and scale of firms). Capital intensity (the amount of capital used per hour worked) was higher in Canada than in the US over this period.

- **Labour productivity in British Columbia's business sector was 89% of the Canadian average in 2007.** Alberta (121%), Newfoundland (119%) Ontario (102%) and Saskatchewan (102%) had higher-than average productivity levels. BC was ranked 6th among the provinces (after Quebec, at 96%). The productivity gap between BC and the rest of the country has been growing during the last decade. *Data Source: BC Stats*

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Infoline Report

Contact: Lillian Hallin
250 387-0366
Originally published in
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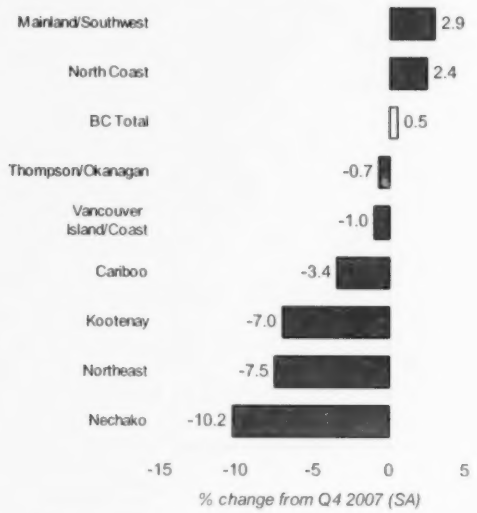
# First Quarter Review of BC's Tourism Sector

## Room Revenue

Room revenue growth slowed (+0.5%) in the first quarter of 2008 on the heels of a 3.5% increase in the previous quarter. Although Mainland/Southwest showed the largest gain (+2.9%), this was about half the rate recorded in the fourth quarter of 2007 (+5.2%). Accommodations in North Coast also began the year on a high note, as revenues climbed 2.4%. However, other regions of the province did not fare as well. Nechako (-10.2%) experienced a double-digit drop, ending six consecutive quarters of increases, while Northeast (-7.5%) and Kootenay (-7.0%) posted substantial declines. Cariboo (-3.4%) recorded the largest quarterly decrease in five years, and returns also fell in Vancouver Island/Coast (-1.0%) and Thompson/Okanagan (-0.7%).

**Mainland/Southwest and North Coast were the only regions to post gains**




*Data Source: BC Stats*

Room revenues totalled approximately $508 million during the January to March 2008 period. Since 2002, quarterly room revenues have only declined five times, reflecting the continued strength of BC's accommodation sector.

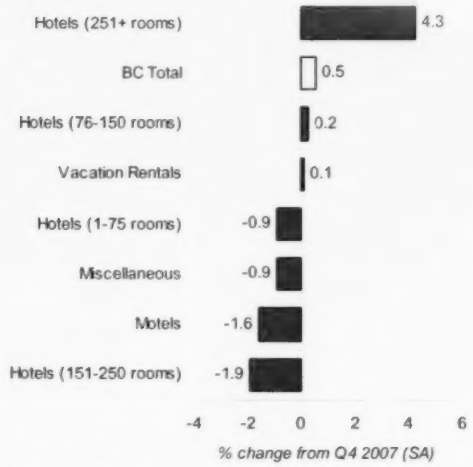
**Room revenues advanced for the second straight quarter**

*Data Source: BC Stats*

Hotel receipts (+1.2%) continued to trend up in the first quarter. Very large hotels (251+ rooms; +4.3%) led the industry in growth and outperformed all other types of accommodation. Mid-sized hotels (76-150 rooms; +0.2%) also posted higher returns, while large (151-250 rooms; -1.9%) and small (1-75 rooms; -0.9%) hotels saw a drop in business.

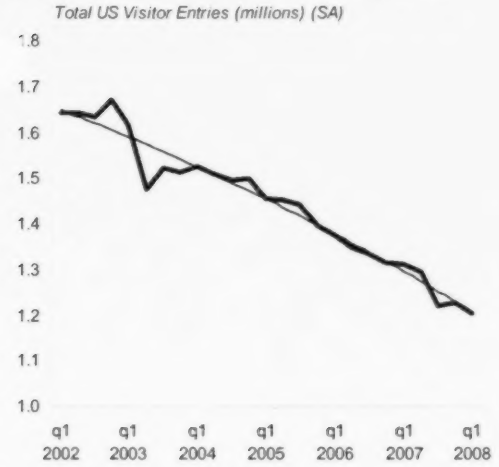
After posting strong growth (+4.2%) in the fourth quarter of 2007, room revenues at motels were down 1.6%. Receipts at vacation rentals inched up 0.1%, while bed & breakfasts, fishing lodges and other short-term accommodation experienced a 0.9% drop.

**Very large hotels led all accommodations in room revenue growth**




*Data Source: BC Stats*

**US entries down 1.9% in the first quarter**




*Data Source: Statistics Canada*

## Visitor Entries

Visitor entries to Canada through BC border crossings remained on a downward track (-1.2%, seasonally adjusted) in the first quarter. US entries slipped (-1.9%) after inching up 0.5% in the previous quarter, as there were fewer Americans on same-day (-1.7%) and overnight (-1.9%) trips.

The number of guests from overseas countries rebounded (+0.9%) due to an influx of Europeans (+2.9%) visiting the province. Asian entries (+0.1%) were relatively unchanged and visitation from Oceania fell (-4.6%).

The number of Canadians returning to the country via BC inched down (-0.1%) for the first time since the first quarter of 2007. Travel from the US also declined (-0.9%) following a 19.0% jump in the previous quarter. However, there were more visitors returning from overseas countries (+5.4%).

## Other Indicators

In BC, hotel occupancy rates averaged 66.6% (seasonally adjusted) in the first quarter, down 0.9 percentage points. However, the daily room rate was 1.5% higher compared to the previous quarter, averaging $133.90.

The Vancouver airport recorded a 3.7% increase in passenger volume, while traffic through the Victoria airport fell (-0.5%) for the first time since the fourth quarter of 2006. BC Ferries saw a drop in both passenger (-1.0%) and vehicle (-0.8%) volume. The number of passenger vehicles travelling along the Coquihalla Highway plummeted (-13.5%) due in part to an avalanche that closed the route for eight days in February.

Employment growth in the major tourism-related industries was mixed during the first three months of 2008. The air transportation (-1.4%) and arts, entertainment & recreation (-0.8%) industries shed jobs, while the food & beverage services (+1.6%) and accommodation (+0.1%) industries posted employment gains for the fourth straight quarter.

BC's food services and drinking places industry recorded higher receipts (+1.1%), as an increase in revenues at food service establishments offset lower sales at bars, nightclubs and taverns.

*Infoline*

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**Email** transmission information service from BC Stats

also on the **Internet** at www.bcstats.gov.bc.ca

## *BC at a glance . . .*

| **POPULATION (thousands)** | Apr 1/08 | % change on one year ago |
|---|---|---|
| BC | 4,428.4 | 1.5 |
| Canada | 33,223.8 | 1.1 |
| **GDP and INCOME (Revised Apr 28)** | | |
| *(BC - at market prices)* | 2007 | % change on one year ago |
| Gross Domestic Product (GDP) *($ millions)* | 190,214 | 5.5 |
| GDP *($ 2002 millions)* | 163,200 | 3.1 |
| GDP *($ 2002 per Capita)* | 37,258 | 1.7 |
| Personal Disposable Income *($ 2002 per Capita)* | 24,728 | 3.0 |
| **TRADE ($ millions, seasonally adjusted)** | | % change on prev. month |
| Manufacturing Shipments - May | 3,483 | 2.2 |
| Merchandise Exports - May | 2,826 | 10.4 |
| Retail Sales - May | 4,759 | 0.0 |
| **CONSUMER PRICE INDEX** | % change on | 12-month avg |
| *(all items - Jun 2008)* | one year ago | % change |
| BC | 3.0 | 1.6 |
| Vancouver | 3.1 | 1.8 |
| Victoria | 2.8 | 1.0 |
| Canada | 3.1 | 2.2 |
| **LABOUR FORCE (thousands)** | | |
| *(seasonally adjusted)* | Jun '08 | % change on prev. month |
| Labour Force - BC | 2,432 | 0.3 |
| Employed - BC | 2,322 | 0.2 |
| Unemployed - BC | 110 | 1.7 |
| | | May '08 |
| Unemployment Rate - BC *(percent)* | 4.5 | 4.5 |
| Unemployment Rate - Canada *(percent)* | 6.2 | 6.1 |
| **INTEREST RATES (percent)** | Jul 23/08 | Jul 25/07 |
| Prime Business Rate | 4.75 | 6.25 |
| Conventional Mortgages - 1 year | 6.95 | 7.05 |
| - 5 year | 7.15 | 7.24 |
| **US-CANADA EXCHANGE RATE** | Jul 23/08 | Jul 25/07 |
| *(avg. noon spot rate)* Cdn $ per US $ | 1.0088 | 1.0425 |
| *(closing rate)* US $ per Cdn $ | 0.9898 | 0.9609 |
| **AVERAGE WEEKLY WAGE RATE** | | |
| *(industrial aggregate - dollars)* | Jun '08 | % change on one year ago |
| BC | 782.92 | 5.8 |
| Canada | 781.94 | 4.3 |

**SOURCES:**

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

## Immigration & Diversity Profiles

The Welcome BC site now features two series of graphic profiles based on the 2006 Census. Over 200 individual documents in each series reveal the characteristics of British Columbia, its regions, and communities.

Www.welcomebc.ca/en/growing_your_community/trends/2006/

## NEW RSS enabled for our site

We now have two RSS feeds for our users. One provides updates for our analytical articles; the other is for everything we do, including the analytical articles, but also announcements, data releases, and publications.

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### Released this week by BC Stats

- Consumer Price Index, June 2008

### Next week

- Business Indicators, July 2008
- Current Statistics, July 2008
- Tourism Sector Monitor, July 2008

BC Stats, Ministry of Labour and Citizens' Services, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca